



World Chronicle

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UNDP

The United Nations Development Programme's, UNDP, strategic advantage lies in the universality represented by its presence in 137 countries and in its closeness to the governments of those countries. These unique attributes allow UNDP a role in helping countries to grapple with the challenges of change in the new millennium. Such challenges run from globalization, decentralization, the emergence of civil society and post-conflict situations, to whole new sets of management choices concerning the environment, social programmes, economic policy-making and international trade arrangements. In this edition of **World Chronicle**, Mark Malloch Brown, Administrator of the United Nations Development Programme, talks about how to transform UNDP into an even stronger global advocate for human development.

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ANNOUNCER: From United Nations Headquarters in New York, this is **World Chronicle**, an unedited interview programme about major global issues.

Here now to introduce our guest is the host of today's **World Chronicle**.

WILLIAMS: Hello, I'm Ian Williams, sitting in for Michael Littlejohns, and this is **World Chronicle**.

The United Nations Development Programme, UNDP, is the UN's largest source of assistance for global development. Its mission is to help countries achieve sustainable human development by assisting them to build their capacity to design and carry out development programmes in poverty eradication, employment creation and sustainable livelihoods, the empowerment of women and the protection and regeneration of the environment. But how successful has UNDP been in aiding world development? And what are the challenges facing UNDP in the new century?

Our guest today is an expert in the field of development. He is Mark Malloch Brown, the Administrator of the United Nations Development Programme. Joining me to talk with Mr. Malloch Brown are Barbara Crossette of *The New York Times* and Raghida Dergham of *Al-Hayat of London*.

Mr. Malloch Brown, welcome to **World Chronicle**.

MALLOCH BROWN: Thank you.

WILLIAMS: It is good to see you here since you came to revise the UN's media at one point and this is a test of the success perhaps. But I think the big problem that many people have with the UN Development Programme is, what does it do. UNICEF does children, WHO does health, UNESCO does monuments, who do you do?

MALLOCH BROWN: Well I must say, listening to your introduction to the programme and that extraordinary, long, confused description you are forced to give of what we do, which is out of our mission statement, it is pretty good evidence we have a problem. We certainly don't pass either the eloquence test or the focus test in terms of mission. So in my first few months as the new Administrator what I have been focussing on is trying to build a consensus around our customers – the developing countries and the poor in those countries – and our donors, the rich countries, about exactly what the focus of the organization should be. Because in today's world an organization which is doing a ton of small things and none of them at a sufficient level of critical mass to make a real difference, rapidly becomes redundant. You lose donor support because they don't know what it is they're buying, which is different to what they're getting when they support UNICEF or their own bilateral agencies.

So I think we are now on the verge of a really historic moment for UNDP which is there is a strong consensus starting to emerge that the role of UNDP should be that of trusted adviser to developing countries around the policy and institutional needs that have been thrown out by the rapid change they're all going through. Because all of our countries are seeing their political lives transformed with much greater openness, that economic worlds changed cause they allow a bigger role for markets and for the private sector. So as they grapple with all of these changes they're turning to UNDP for help so there's a very clear adviser role which, if I might just add, combines with a second linked role which is an advocacy role. Seattle has shown that globalization is not just an easy shoo-in, certainly not globalization which really only represents the interests of certain constituencies in the world. If globalization is going to work and be sustainable and be legitimate for people it's got to represent and promote the interests of the poor as well as the rich. So the second advocate role on behalf of developing countries to really try and highlight an alternative voice on globalization, if you like, is the other role, I think, people are looking to us for. So long answer which may mean I've already failed the issue of focus, but I think we are trying now to sort of really boil down what we do in a way which will be very comprehensible and sensible to people.

WILLIAMS: Is it sensible, Barbara?

CROSSETTE: Well, can I go from general to the specific and look at the kind of person that is now a development expert in the age of governance – whether or not we can get into the debate over that but the age of the issue of good governance. The old stereotype of a development expert, the guy in the khaki shirt staring down a well hole or whatever, somebody dirtied in the mud and riding in a jeep, has in many ways been transformed, or at least augmented by someone in a business suit or pinstripe suit talking to the justice ministry or going to a session on how to develop parliamentary committees. What is the development expert now and how does this affect the kind of people you want to bring in the UNDP?

MALLOCH BROWN: It's a very good question. I mean, first, between those two extremes is a lot of middle ground and the great glory of the guy who stared down a shallow well was that usually he or she was a very practical person who got things done. And in development that remains an absolutely essential attribute because it is very easy as we shift from digging wells to advising on justice systems that we move from doers and practitioners to rather cerebral pseudo-academic types who actually don't deliver real value; just a lot of advice which sort of comes in waves and papers and seminars and workshops but

doesn't actually help a justice minister change his justice system. So we've got to keep that focus on practical change. But you're right; combine it with people who are much more conversant with the world of policy and institutional development. And the reason for that is I think the great lesson of recent years in development business is being that in countries which don't have good institutions and good policy frameworks all the development projects in the world won't get you where you want to go because there just isn't the organizational framework around those projects to allow them to lift up a country's economy. And the statistics are really simple. Countries which invest sensibly in health and education of their people have sound macro-economic policies and have strong institutions which that means is democratic often but not always, but certainly accountable and transparent institutions. Countries where those three factors are present, they have a huge return on the development assistance they receive. If those factors are weak or absent development assistance is a failure. It has no net return for that economy. And so it just led to this real focus on these government issues not because it is some sort of Western ideological-driven thing about wanting everybody to be a little America or a little England, but because these qualitative facts about how government is organized in a country really determine whether or not development is successful.

DERGHAM: I want to go back to that trusted advisor expression that you have used and the advocacy role you have described. A lot of suspicion is coming out from the developing countries. They say, "wait a minute, what on earth is Mark Malloch Brown trying to do? This is supposed to be an agency that aids us in development and all of a sudden here we are called upon to just receive advice from this organization." What is it that you're talking about and what do you mean by "we can be all things to all people"? Where are the priorities and how are you going to deal with the suspicions?

MALLOCH BROWN: Well, the reason for this judgment is two-fold. One, actually it's not me say calling for anything, it's using the analysis we've done on our market, what our customers are using us for, and then trying to organize ourselves around their priorities. And while ambassadors in New York don't – you're right – necessarily share this view back in their own countries, their governments are voting very clearly in favour of supporting this area of governance; about half of what we've done over the last four years.

DERGHAM: How do you know that?

MALLOCH BROWN: Obviously we keep pretty good tabs on what our projects are and what has been achieved and we measure them and count them. And we also,

through a new results-based management system we've been introducing, have had to look forward four years of what we think the work flow is going to be in order to set up ways of measuring its effectiveness. And there our forward projections based on reports from all our 136 field offices is that 70 percent of our work in the next four years will be in governance. Now all of this work is entirely demand-driven. It's not merely administrators sitting in New York and saying, "ah, governance, that's a nice idea. That's fashionable with the donors, let's try that one." It's instead responding to what developing countries are asking of us. But the second issue is, where I do plead guilty, that I don't think we can be all things to all people and do all things for everybody. We are three percent of the global development assistance flows, a relative dwarf compared to the European Commission or the World Bank and, in many countries, to big bilateral donors who are focussing on those particular developing countries. So if you are three percent of the action, you can't afford to spread yourself across the whole field and be doing a little bit of this and that. So that, I think, specializing around our particular strength, which is the trusted adviser role which comes from our UN character, makes a lot of sense.

DERGHAM: May I follow up on this. You know it's like a role of a super consultant. You say, "okay, here I am, I am going to be your super consultant and I'm going to play that role." However, on that role itself there is a lot of -- I wouldn't use that word again "suspicion" particularly because you have sort of the World Bank, the donors, the private sector -- how could you eliminate or at least deal with that suspicion coming about to say, "No one has asked you to become a super consultant. Give us the programmes, help us on the ground"? And you know this is too much pontification, as some are saying.

MALLOCH BROWN: Yes, I know. Well there, of course, to be accused by a community of UN ambassadors of too much pontification is a very special badge of honour to wear. I'll join the club, gentlemen and ladies. But, no, I think that this issue of what you can do if you are three percent of the flows keeps on bringing us back to the heart of it which is when you start to do projects, as we have done, and you have less resources than you used to do, but the costs, the overhead and design of the projects have not gone less, what happens is these extraordinary sorts of distorted projects where an awful lot of investment goes into the overheads and indeed consultants with either khaki shorts or pinstripe suits or whatever that people who busy themselves designing these projects and that the number of beneficiaries is a handful of people because that's all there is project funds for. And that you know, if you take our core funds which are a little bit more than \$700 million a year and you

back out the administrative overhead and you then divide it across 136 countries, you find a few million dollars per country. And you know what it's translated into is in, for example, Africa by 2001, we will only have a little bit more than a quarter of the annual programme resources for that region than we had in the mid-90s and yet everybody says, "don't change anything, stand by the status quo, do it the way you've always done it" and it's flying in the face, frankly, of reason. Now having said that, where I am guilty probably of trailing the cloak a little too obviously in front of the bull is, does it mean we're stopping doing projects and we're just becoming sort of foppish consultants who sit around and offer high priced advice. No. Because if you're actually restructuring the institutions of government, it's very expensive because, say you want to reform the civil service where a massive restructuring cost associated with that, or if you, for example, want to decentralize as we are in India, basic services, the responsibility for them, for health care and education from Delhi to the countryside, huge organizational changes are called for with big costs. So it's not a cheap development agency the one we're designing and it's one which will have as many projects as before and if it's successful and if it really puts its back at the heart of the national change debate in developing countries, as we think it will, we hope we're going to mobilize a lot more resources and be putting a lot more into development than we have for years.

WILLIAMS: This is **World Chronicle**. Our guest is Mark Malloch Brown, Administrator of the United Nations Development Programme. Barbara.

CROSSETTE: This question of outside consultants shoving other people's ideas -- can you get round this somehow by more South-South cooperation?

MALLOCH BROWN: You're absolutely right, Barbara. I mean South-South is exactly the way to go and we've just drawn up this business plan ...

WILLIAMS: Perhaps we should explain South-South.

MALLOCH BROWN: I'm sorry. South-South is when you have the consultants essentially coming from one developing country to advise people in another developing country rather than sending that expensive pinstripe consultant from a developed country of the North.

WILLIAMS: But certain countries don't accept pinstripes now, do they? •

MALLOCH BROWN: No, and they're at least up to the same sartorial standards, so maybe we should drop the pinstripe suit. But the point is that actually the kind of change the developing countries are at the moment grappling with, which comes from these two related processes -- one, globalization and therefore their integration into the world

economy and second, the opening up of their political and economic lives which has been moving very rapidly since 1989 -- which they're all going through at different rates and with different impacts. But it means that the best source of advice about how to manage these changes just comes from fellow Southern countries who are just ahead of you in the food chain, if you like, who have been there just ahead of you. So it's much better if one is dealing with say decentralization to take a consultant from Brazil -- where they have had some very interesting innovations in decentralizing government -- to India than it is having somebody go from the UK. So politically this role becomes more palatable if there is a big element of it of developing countries helping developing countries, although the principle of solidarity is a very important one. It's more that the best advice is from one developing country to the next because everybody is being sucked into the same accelerating process of change and most of the Northerners' advice and consulting skills on this is, frankly, a lot less current and a lot less relevant than fellow Southerners.

DERGHAM: Back to that criteria of good governance what do you mean by that? What is the definition and does that mean -- is it the criteria that's applied by the World Bank and would that mean that the undemocratic countries where human rights -- where they don't have a clean bill of health on human rights -- they will not receive that advice, or the finance, or the projects?

MALLOCH BROWN: Well, first I tend to use the phrase governance rather than good governance because I think good governance is assumed to have with it a value laden agenda of governance on a particular set of Western norms and expectations. But second, this move towards governance as a key variable in successful development -- when you have it development succeeds, when you don't it doesn't -- has led to different development agencies responding differently and very much responding in a way which reflects their ownership and their characteristics as an organization. So the World Bank, which you mentioned, has in its loan window for poor countries introduced governance not as a conditionality but as a criteria. If you want money from this window you will get a bigger allocation depending on how well you do on governance. The European Union, through its so-called Lome Agreement on Trade and Aid, is also, in its renegotiation of that, introducing it as a criteria cum conditionality. A lot of bilateral donors, who are anxious to satisfy their taxpayers that their development dollar is being well-used, have introduced it as a threshold criteria for a developing country's selection as a country to be given resources. So for developing countries, they look out and they see there's doors slamming everywhere unless

they meet a particular set of governance criteria. And in the same way that structural adjustment became such a motive phrase in a way that it was seen as an effort to use conditionality to get developing countries to restructure their economies on particular principles, governance is becoming a new political structural adjustment where there is a suspicion out there that countries either have a certain set of political institutions and a certain set of rules about how your governance works or you're out in terms of access to development assistance. UNDP's position is different. Our position is that the analysis that governance is central and critical to successful development is true. However, as an organization, we consider our first and foremost constituency to be the developing countries. If I have to choose between developing countries and the donors, it's a Hobson's choice but, you know, the developing countries have to come first. That is our particular strength and characteristic that we are their development agencies, the basis of the trust they extend to us. And therefore our role on governance is a good cop not a bad cop role. Others can apply criteria, conditionality, link it to whether or not they give development assistance or not. **We will never do that.** What we'll do is use our permanent presence in countries to go on telling them what they often won't want to hear but unless they do some important things to change their governance, to improve it, they're not going to get development assistance from the big donors and are certainly not going to attract foreign private investment. But that's the nature of our relationship with them. It's their privilege to take or ignore our advice and we're not going to walk out of the country if they ignore it. We're just going to come back and try the same message again tomorrow.

WILLIAMS: Can I come in because one of the other suspicions that people have, as well as UNDP's emphasis on governments and governance, is that lately it has been caught in bed with private enterprise in a big way. And, for example, you have successfully worked with Sysco systems for NetAid and the question now is who sort of comes first? Sysco could practically pay for your budget out of the executive stock options they give. I mean in a partnership like this, where do you fit in?

MALLOCH BROWN: That's right and I think, you know, it's very alarming to some people that we should, in a sense, be adjusting to the reality of the new global economy which has seen a complete redrawing of the boundary between that portion of global economic activity which is in the hands of states and that which is in the hands of the private sector – both domestic and international private sector. And as official public state economic activity contracts in the world, private sector economic activity expands. I think

it's just good, sound, strategic sense to adjust how we operate to that role. So I'm not at all ashamed of being found in bed with the private sector. My one criteria, however, is that money has not changed hands. We're in bed for the most honourable of reasons and in that sense the key criteria I'm trying to establish in our relations with the private sector is that our clients are the developing countries. If we can assist the financing and the provision of the technical assistance for their successful development by attracting private sector support to their development plans, or private sector to our global initiatives, such as NetAid, that is great. However, where we must never, ever get ourselves into the position of, is in somehow being the agent of the corporate sector in introducing it into a privileged position in a developing country. And that is a principle that I'm anxious not to cross and get very alarmed about some of the press coverage of what we are doing, because it doesn't seem to think that that principle is as important as we think it is.

CROSSETTE: In the minute or two we've got left one thing we have not talked about. I was reminded a few months ago when I was asked to write for *Bombay Women's Magazine* that will the next millennium belong to women? What I got to thinking, particularly in India this has become, in the last few years, a base issue in development, hasn't it? That people are now understanding you can't develop until you've developed the women.

MALLOCH BROWN: That's right, Barbara. You know from your travels that in large parts of the world, maybe Asia and Africa most notably, women are the economic resource which have been left on the margins of the formal economy and in many places, have made up for that by being the dynamo behind thriving informal sectors. And so we see our gender role as very much helping lead the charge to mainstream them in the economic and political lives in their countries and again, that for us is another key dimension of governance which is, how do you get women on the inside?

DERGHAM: A quick question: what is the singlemost challenging projects you are engaged in now? It's like we have a minute left so....

MALLOCH BROWN: Well I think some of the post-conflict operations like East Timor and Kosovo, the peace building cum development challenges in Africa, which just are so perplexing and difficult with conflict increasingly so deep-rooted, but also some strikingly difficult once- of projects like a power plant we're building in Northern Iraq at the moment. Politically complex, logistically complex, financially huge. So there's plenty to keep one awake at nights.

DERGHAM: We need another programme for that question.

WILLIAMS: We also need to know where are you going to get the money from for these. All of the Europeans said they will send their money or their checks to Kosovo this year if you don't mind my asking.

MALLOCH BROWN: Well, not all of them. In fact we've done very well on fundraising, so far. I was just in France; they pledged a 25 percent increase. The Japanese are increasing. The Americans we think is going to increase next year. A lot of our loyal European friends -- Swedes, Norwegians -- are doing more. So the commitment which the countries made before I joined as Administrator is to grow the core resources back from a bit more than 700 million to 1.1 billion. We've got a long way to go but we think we're on track. And I, sadly, spent more of my first two months as chief fundraising officer of the organization than chief programming officer of the Organization but I hope once we got the funding under control, I can spend a bit more time in the field.

WILLIAMS: Just very briefly -- you came from the World Bank, the World Bank has been won over to UNDP's view of sustainable human development. They've got money, you don't. Is there room for a creative partnership?

DERGHAM: Another partnership in bed, okay.

MALLOCH BROWN: At the risk of leaving your viewers thinking that development has become a thoroughly promiscuous business -- there is room for a very good partnership but it's accumulating yet another long-term spouse because it's a relationship which we think can really be very strong at the operational level on many areas. But it will always be one where two parties, perhaps like in a good marriage, also agree to disagree because we do not have the same views on some of the economic issues or some of the globalization agenda because we have a different constituency in terms of where our owners are. So a lot of operational cooperation but some distance on ideas.

WILLIAMS: Mr. Malloch Brown, that's all the time we have. Thank you for being with us on this edition of **World Chronicle**.

Our guest has been Mark Malloch Brown, Administrator of the United Nations Development Programme. He was interviewed by Barbara Crossette of *The New York Times* and Raghida Dergham of *Al-Hayat of London*.

I'm Ian Williams, sitting in for Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of **World Chronicle**.

ANNOUNCER: Transcripts of the programme may be obtained free of charge by sending a stamped, self-addressed envelope to **World Chronicle**, United Nations, Room

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